

January 30, 2015

MEMORANDUM OF POLICY

RE: Donations made to closed, delinquent or merged charities

This statement discloses the policy drafted by the Washington State Combined Fund Drive (CFD) on the handling of donations made to charities that are closed, delinquent or merged.

One of the strengths of the CFD is to provide donors with vetted charities that have been approved to operate at both the federal and state level.

Definitions

Each night, the OSOS Charities Division system sends the CFD a feed of all charities that have placed applications with the state of Washington. This feed also includes a list of closed, delinquent and merged charities. These are defined at the OSOS Charities Division as follows:

- **Closed (Not Registered):** There is not a current registration on file. It may be voluntary or involuntary. The organization should not be soliciting until it has filed the appropriate documents with our office.
- **Closed INV (Failure to Register or renew):** The organization failed to renew by their renewal deadline and did not respond to our delinquency notices. Subsequently, the Charities Program "closed" their registration involuntarily.
- **Delinquent (Not Registered):** There is not a current registration on file – usually for failure to file a renewal by their renewal deadline OR they did not follow up to our request for information when their document was pended. The organization has been contacted by mail regarding their delinquent status and should not be soliciting until it has filed the appropriate documents with our office.
- **Merged (Merged):** Registered charity merged with another entity. The "non-survivor" will be listed on the Charity Profile Report under "Other Names Used."

The CFD will only consider a charity closed, dropped or merged under the following conditions:

- The status is changed on the OSOS Charities Division report or the [OSOS Charities Division website](#)
- The charity contacts the CFD state office directly

CFD procedure on closed charities:

It is the goal of the CFD to maintain an accurate database of active charities. This is maintained through the following procedure:

1. A weekly report is generated by the CFD highlighting all charities that have been marked as closed, delinquent or merged within the previous week.
2. An email notification is sent to each closed charity a donor is actively giving to.
 - a. The charity is given 30 days to renew its application with the OSOS Charities Division
 - b. Proof of registration is required for the CFD to continue maintaining the charity in the system



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3. After 30 days, if the charity has not taken steps to correct its closed or delinquent status, donors making pledges to the organizations will be notified and all donations to the closed charity will be moved or cancelled depending on the wishes of the donor.

Communicating with donors about closed charities:

Once the CFD has begun the process of dealing with a closed or merged charities, any donors pledging to the charity in question are also contacted regarding their current pledge and any money that has been collected within the disbursement quarter of the charity closure or delinquency. The procedure is as follows:

1. An email notification is sent to all donors giving to said charity
 - a. The donor is given different options regarding the handling of their pledged and collected dollars:
 - i. If applicable, spread the dollars collected and pledged amongst the other charities the donor is currently giving to
 - ii. Offer other giving options based on the category of the closed or delinquent charity
 - iii. Redirect the current pledge and collected amount to the CFD non-specified fund
 - iv. Provide a full refund of all collected money within the disbursement quarter of the charity closure or delinquency and a cancellation of the pledge in question
 - b. After one week, the payroll department of the donor is contacted indicating no answer
 - c. The donor is given 30 days to change their donation
2. If no answer is received the donor within 30 days, the pledge will be cancelled and any money collected during the disbursement quarter of charity closure or delinquency will be refunded to the donor

CFD procedure on merged charities:

When two or more charities merge, they inform the OSOS Charities Division and officially close all information on the "non-survivor". The CFD receives this information in the weekly report or from the [OSOS Charities Division website](#) and uses the following procedure.

1. The "non-survivor" is immediately dropped.
2. All donations to the "non-survivor" are switched over to the "survivor" and the donors are informed immediately.
 - a. All donors are given the option of cancelling or moving their donations
3. The "non-survivor" Charity Name is entered into the "Program Designation" category, ensuring that the "survivor" is made aware of the donor's wishes.

Regarding the University of Washington Combined Fund Drive

The University of Washington Combined Fund Drive (UWCFD) participates in an annual contract with the CFD state office that allows the organization to communicate with donors and local volunteers directly. As a result of this agreement, pledges and donations made to closed charities are handled through the following procedure:



WASHINGTON STATE COMBINED FUND DRIVE

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1. A weekly report is generated by the CFD highlighting all charities that have been marked as closed, delinquent or merged within the previous week.
2. An email notification is sent to the UWCFD Campaign Executive once per month containing the list of closed charities and donors attributed to each organization. The report contains:
 - a. Charity Name
 - b. Charity Status (closed or merged)
 - c. Donor Name
 - d. Donor Employee ID
 - e. Donor Email
 - f. Giving method
 - g. Amount collected, by pay period, that was not disbursed to charity
3. The UWCFD contacts the donors giving to each closed charity with different options regarding the handling of their pledged and collected dollars:
 - i. If applicable, spread the dollars collected and pledged amongst the other charities the donor is currently giving to
 - ii. Offer other giving options based on the category of the closed or delinquent charity
 - iii. Redirect the current pledge and collected amount to the CFD non-specified fund
 - iv. A full refund of all collected money within the disbursement quarter of the charity closure or delinquency and a cancellation of the pledge in question
4. Once the donor has made his/her request, the UWCFD makes the change in the system and informs the CFD state office of the donor's decision, and any changes, cancellations and/or refunds
 - a. Payroll contribution: if no answer is received from the donor within 30 days, or by the disbursement deadline, the pledge will be cancelled and any money collected during the disbursement quarter of the charity closure or delinquency will be refunded via the UW payroll system
 - b. Check contribution: if no answer is received from the donor within 30 days, or by the disbursement deadline, the pledge will be cancelled and any money collected during the disbursement quarter of the charity closure or delinquency will be refunded in the form of a check with a letter from the CFD
5. If the issue cannot be resolved by the disbursement deadline (the second week of each month of disbursement), the donation is immediately cancelled and a refund of all collected funds within the disbursement quarter will be issued to the donor.
6. The UWCFD informs the CFD state office of all changes, cancellations to ensure that refunds are processed if necessary.

This policy has been so approved on January 30, 2015 by:


Stephanie Horn
Special Programs Director


Philip Kerrigan
CFD Program Manager



Secretary of State

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